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UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA

NOE BAROCIO, SALVADOR  
 BAROCIO, AND CINDY  
 CONYBEAR, INDIVIDUALLY  
 AND ON BEHALF OF ALL  
 OTHERS SIMILARLY SITUATED,

Plaintiff,

vs.

YINGLI GREEN ENERGY  
 HOLDING COMPANY LIMITED,  
 LIANSHENG MIAO, YIYU  
 WANG, AND ZONGWEI  
 “BRYAN” LI,

Defendants.

2:15-cv-04003-ODW(MRWx)

**CONSOLIDATED AMENDED  
 CLASS ACTION COMPLAINT  
 FOR VIOLATION OF THE  
 FEDERAL SECURITIES LAWS**

JURY TRIAL DEMANDED

## LIST OF DEFINED TERMS AND SPEAKERS

<b>Earnings Calls</b>	<b>Date</b>	<b>Company Participants</b>
2011 Q1 Earnings Call	2011-05-20	Liansheng Miao, Zong-Wei Bryan Li, Yiyu Wang,
2011 Q2 Earnings Call	2012-02-29	Miao Lian Sheng, Zong-Wei Bryan Li, Yiyu Wang
2012 Q1 Earnings Call	2012-05-30	Liansheng Miao, Zong Wei Li, Yi Yu Wang
2012 Q2 Earnings Call	2012-08-29	Liansheng Miao, Zongwei (Bryan) Li, Yiyu Wang
2012 Q3 Earnings Call	2012-11-28	Liansheng Miao, Zongwei (Bryan), Yiyu Wang
2012 Q4 Earnings Call	2013-03-04	Liansheng Miao, Zong Wei Li, Yiyu Wang

## LIST OF DEFINED TERMS AND SPEAKERS

SEC Filing	Date Filed	Signed By	Certified by
20-F for the year ended December 31, 2010 (“2010 20-F”)	2011-05-11	Liansheng Miao	Liangsheng Miao, Zongwei Li <sup>1</sup>
20-F for the year ended December 31, 2011 (“2011 20-F”)	2012-04-26	Liansheng Miao	Liangsheng Miao, Zongwei Li
20-F for the year ended December 31, 2012 (“2012 20-F”)	2013-04-23	Liansheng Miao	Liangsheng Miao, Zongwei Li
20-F for the year ended December 31, 2013 (“2013 20-F”)	2014-04-11	Liansheng Miao	Liangsheng Miao, Yiyu Wang
20-F for the year ended December 31, 2014 (“2014 20-F”)	2015-05-15	Liansheng Miao	Liangsheng Miao, Yiyu Wang
Registration Statement on Form F-3	2014-04-11	Liansheng Miao, Yiyu Wang, Zongwei Li	N/A
Q2 2012 Earnings Release	2012-08-29	N/A	N/A
Q1 2014 Earnings Release	2014-06-17	N/A	N/A

<sup>1</sup> Pursuant to the Sarbanes-Oxley Act of 2002, each of Yingli’s annual reports on Form 20-F was required to be certified, and was certified, by Yingli’s then-Principal Executive Officer and Principal Financial Officer, who each stated that “Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.” The certifications all accompanied the financial report they certified.

1                   **CONSOLIDATED AMENDED CLASS ACTION COMPLAINT FOR**  
2                   **VIOLATION OF THE FEDERAL SECURITIES LAWS**

3  
4           Court-appointed Lead Plaintiffs Noe and Salvador Barocio and Named  
5 Plaintiff Cindy Conybear (“Plaintiffs”), individually and on behalf of all other  
6 persons similarly situated, by their undersigned attorneys, for their Complaint  
7 against Defendants Yingli Green Energy Holding Co. Ltd., Liansheng Miao, Yiyu  
8 Wang, and Zongwei “Bryan” Li (“Defendants”) allege the following based upon  
9 personal knowledge as to themselves and their own acts, and information and  
10 belief as to all other matters, based upon the investigation conducted by and  
11 through their attorneys, which included, among other things, a review of the  
12 Defendants’ public documents, conference calls and announcements made by  
13 Defendants, United States Securities and Exchange Commission (“SEC”) filings,  
14 wire and press releases published by and regarding Yingli Green Energy Holding  
15 Co., Ltd, (“Yingli” or the “Company”), analysts’ reports and advisories about the  
16 Company, information readily obtainable on the Internet, interviews of former  
17 Yingli employees, and interviews of employees of Yingli’s customer. Plaintiffs  
18 believe that substantial evidentiary support will exist for the allegations set forth  
19 herein after a reasonable opportunity for discovery.  
20

21                   **I. NATURE OF THE ACTION**

22  
23           1.       This is a class action brought on behalf of purchasers of Yingli’s  
24 American Depositary Shares (“ADSs”) between December 2, 2010, and May 15,  
25 2015, inclusive (the “Class Period”), seeking to pursue remedies under the  
26 Securities Exchange Act of 1934 (the “Exchange Act”).  
27  
28

1           2.       Yingli, together with its subsidiaries, designs, develops, manufactures,  
2 markets, sells, and installs solar energy products in the People's Republic of China  
3 ("China") and throughout the world.

4           3.       In the first decade of the Twenty-First Century, European  
5 governments took extraordinary steps to encourage domestic production of solar  
6 power.

7           4.       The beneficiaries of European pro-solar policy included China-based  
8 solar manufacturers like Yingli. Yingli earned more than 80% of its revenues in  
9 Europe each year between 2004 and 2010.

10          5.       Beginning in 2011, the European market suffered traumas that  
11 dramatically curtailed Chinese solar manufacturers' sales there. First, due to the  
12 European debt crisis, European demand for solar panels fell substantially. Second,  
13 because prior solar subsidies had led to what the governments offering the  
14 subsidies viewed as overproduction, European governments sharply reduced the  
15 subsidies. And third, the European Union instituted anti-dumping proceedings  
16 against Chinese solar manufacturers, eventually reaching a negotiated settlement  
17 that called for Chinese manufacturers to sell their solar panels for a much higher  
18 minimum price, negating most or all of their price advantages.

19          6.       Between 2010 and 2014, Yingli's sales in Europe fell by three  
20 quarters.

21          7.       At the same time as Europe was cutting off its market to Chinese  
22 manufacturers, the Chinese government announced that it would prioritize  
23 development of domestic solar power.

24          8.       In 2009 the Chinese government initiated its Golden Sun program,  
25 which provided approved solar-power projects up-front subsidies of 50% of  
26 anticipated project costs before the developers even began construction. To ensure  
27 that the Chinese government only reimbursed actual costs, Golden Sun applicants  
28

1 were required to attach contracts to their applications setting out the prices they  
2 were paying for photovoltaic (“PV”) parts from their suppliers (like Yingli).

3 9. The Golden Sun program was intended to jumpstart the Chinese solar  
4 industry. Accordingly, the Chinese government made it an explicit condition that  
5 projects that received grants in 2009 and 2010 must be completed by February 14,  
6 2012. The government notice announcing Golden Sun applications stated that if a  
7 project was not completed by February 2012, the government would claw back the  
8 subsidy. The Chinese government awarded about RMB 34 billion<sup>2</sup> in total pursuant  
9 to Golden Sun. Yingli supplied about 25% of the solar panels used in Golden Sun.

10 10. Before the Golden Sun program was shuttered, Yingli regularly told  
11 investors that the program supported its sales, that subsidies would only increase,  
12 that the Golden Sun project would not be cut, and that Golden Sun offered better  
13 payment terms.

14 11. The Golden Sun program proved to be an expensive boondoggle. A  
15 Chinese government audit later found that 29% of Golden Sun subsidies were  
16 procured through outright fraud. The Golden Sun applicants’ fraud included,  
17 among other things, falsely overstating project costs (including by submitting  
18 fraudulent contracts in Golden Sun applications) and substituting cheaper, lower  
19 quality supplies after receiving Golden Sun subsidies. Moreover, 80% of 2009 and  
20 2010 projects were not completed by February 2012. In 2013, the Chinese  
21 government closed the Golden Sun program and demanded that the companies that  
22 had received subsidies repay it.

23 12. In fact, unbeknownst to investors, Yingli was complicit in all three  
24 frauds. First, Yingli would typically overstate its costs in Golden Sun applications.

25  
26  
27 <sup>2</sup> As of December 31, 2012, the exchange rate between US dollars and Chinese  
28 Renminbi was about 6.07:1. Between 2008 and 2015, the exchange rate did not  
exceed 6.90 RMB:1 U.S. dollar, nor dip below 6.00 RMB:1 U.S. dollar.

1 Because Golden Sun applications required contracts, this necessarily involved  
2 submitting forged contracts to government authorities. Second, Yingli would  
3 deliberately delay construction of solar projects to benefit from rapidly decreasing  
4 costs. And third, Yingli would substitute cheaper components than what was  
5 included in Golden Sun applications. Yingli would pass government inspections by  
6 first ensuring that certain specific physical project locations complied with subsidy  
7 requests, and then leaning on government inspection teams to inspect only the  
8 compliant locations.

9 13. In March 2013, a series of articles published rumors that the Golden  
10 Sun program would be terminated. Yingli's investors were alarmed because so  
11 much of its success depended on Golden Sun. On March 18, 2013, Yingli's stock  
12 price fell from \$2.47/ADS to \$2/30/ADS, and from March 20-March 25, it fell  
13 from \$2.52/ADS to \$1.96/ADS, damaging investors.

14 14. Because of the fallout from the Golden Sun program, Yingli was  
15 forced to increase its allowance for doubtful accounts – a reserve against accounts  
16 receivable for customers who could not pay Yingli what they owed. This meant  
17 that Yingli was finally recognizing that it would not collect amounts due from  
18 customers related to the Golden Sun program. The disclosure, on March 25, 2015,  
19 caused Yingli's stock price to fall from \$2.34/ADS to \$1.99/ADS, damaging  
20 investors.

21 15. Then, on May 18, 2015, Yingli wrote off about \$33.2 million of its  
22 accounts receivable. In the next two trading days, Yingli's stock price fell from  
23 \$1.70/ADS to \$0.94/ADS, damaging investors.

## 24 **II. JURISDICTION AND VENUE.**

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16. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. §240.10b-5).

17. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).

18. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section 27 of the Exchange Act (15 U.S.C. §78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the preparation and dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District.

19. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

### III. PARTIES

20. Founded in 1998, Yingli Green Energy, Holdings Co. Ltd. is a major Chinese vertically integrated solar company. It chiefly earns its revenues from supplying solar panels and/or acting as a contractor for major solar panel projects, especially at the utility scale. Yingli's ADSs were actively traded on the New York Stock Exchange (the "NYSE") for the entire Class Period. Yingli is a Cayman Islands corporation with its principal executive offices located at No. 3399 Chaoyang North Street, Baoding 071051, People's Republic of China.

21. Defendant Liansheng Miao founded Yingli's precursor in 1998, and since then has served as its Chairman and CEO. As of December 31, 2014,



1 Chairman Miao owned 28.75% of Yingli's stock. Miao received his bachelor's  
2 degree in business management from Beijing Economics Institute and his master's  
3 degree in business administration from Peking University in China.

4 22. Defendant Yiyu Wang joined Yingli in 2006, and served as its Chief  
5 Strategy Officer until 2013. Beginning May 2013, Wang served as Yingli's CFO  
6 and one of its directors. Wang has ten years' experience working as an auditor at  
7 Pricewaterhouse Coopers, and holds a bachelor's degree in international finance  
8 from Shanghai University.

9 23. Defendant Zongwei "Bryan" Li joined Yingli as its CFO and one of  
10 its directors in 2006, and served in these positions until May 2013, when he  
11 became Yingli's Chief Strategy Officer, a position he held until December 2014.

12 24. Court-appointed Lead Plaintiffs Noe and Salvador Barocio purchased  
13 Yingli ADSs at artificially inflated prices and were damaged thereby. Lead  
14 Plaintiffs' PSLRA certifications were previously filed with the Court and are  
15 incorporated by reference.

16 25. Plaintiff Cindy Conybear acquired Yingli securities and was damaged  
17 thereby. Ms. Conybear's PSLRA certification is attached as an exhibit to this  
18 Complaint and is incorporated by reference.

#### 19 20 **IV. WITNESSES**

21 26. Plaintiffs' investigator spoke with former Yingli employees who have  
22 personal knowledge of the facts alleged in this Complaint.

23 27. Former Employee 1 ("FE 1") was a general ledger accountant with a  
24 Yingli subsidiary, Tianjin Yingli New Energy Co. Ltd. ("Tianjin Yingli"), from  
25 August 2013 to December 2015. FE 1's principal responsibilities included  
26 maintaining Tianjin Yingli's general accounts, and drafting monthly and year-end  
27 financial reports. FE 1 reported to Tianjin Yingli's head of finance.  
28

28. Former Employee 2 (“FE 2”) was a head of project development at Yingli from December 2010 to May 2013. FE 2’s principal responsibilities included Golden Sun project management, where he was mainly in charge of the project application process, including all interactions with government. FE 2’s Golden Sun experience included Yingli Hunan Yueyang, a 20 MW project which received Golden Sun subsidies. FE 2 reported to Yingli’s senior managers.

29. Plaintiffs also spoke with a Chaori Employee 1, who was an administrative director at Shanghai Chaori Solar Energy Science & Technology Co. Ltd. (“Chaori”), from August 2007 to March 2016.

## V. BACKGROUND

### A. Yingli loses its European market.

30. Since as early as 2004, Yingli’s focus was on European markets. Yingli drew more than 80% of its revenues from sales in Europe in every year between 2004 and 2010. Yingli made most of its European sales in Germany. Yingli’s sales to Germany made up between 40% and 66% of its total worldwide sales for every year between 2004 and 2010 except 2007.

31. European markets were extraordinarily favorable to solar developers, as they were characterized by high prices and favorable payment terms. Further, as more fully set out below, European customers almost always timely paid Yingli the amounts the customers owed pursuant to the contracts the customers signed with Yingli. Yingli thus profited immensely from the European market.

32. To subsidize its production expansions, Yingli took out massive loans, becoming very leveraged.

*Yingli bank debt, as of December 31 (in thousand U.S. dollars)*

	2008	2009	2010	2011	2012	2013	2014
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Total short-term borrowings and current portion of long-term debt	299,626	512,903	887,557	1,306,833	1,208,009	1,109,384	1,629,767
Total long-term borrowings	97,172	110,287	378,255	548,451	654,316	678,640	460,651
Total bank debt	396,789	623,190	1,265,812	1,855,284	1,862,235	1,788,024	2,090,418

33. But between 2011 and 2013, a series of events slashed Yingli's sales to Europe.

34. First, in 2011, European demand fell dramatically as a result of the European debt crisis. As Yingli stated on its Q1 2011 earnings conference call, Yingli experienced a sudden demand slowdown in Europe. Demand was also unexpectedly low in Q3 2011. Yingli's shipments to Europe fell.

35. Second, Yingli's European customers had relied on very high European feed-in tariffs, especially in Germany.<sup>3</sup> These tariffs had supported high demand for Yingli's solar panels in Europe, since developers were eager to develop costly solar programs because the developers anticipated that they would be able to sell the electricity generated by their developments into the electric system at high guaranteed rates for decades. Germany's feed-in tariffs were designed to fall greatly between 2010 and 2014. For example, Germany's feed-in tariff for rooftop-mounted projects up to 10 MW fell from €28.43/kWh<sup>4</sup> in January 2010 to €22.07/kWh in January 2011 to €13.50/kWh in April 2012. Tariff reduction came to a head when in Q2 2012, Germany dramatically cut its feed-in-tariff, causing Yingli's sales there to fall by 17% in Q3 2012.

<sup>3</sup> Feed-in tariffs are guaranteed rates paid to companies that supply electrical power to the grid from renewable sources. The tariffs are designed to accelerate development of renewable energy. They typically have three features: (1) guaranteed grid access; (2) long-term contracts; and (3) cost-based purchase prices. Although tariffs paid for new projects decline, older projects continue to be paid the same tariff.

<sup>4</sup> Kilowatt hour.

36. And third, the European Union hit Yingli and other Chinese solar manufacturers with anti-dumping and anti-subsidy duties. In response to an industry complaint filed July 2012, in September and November 2012, the European Commission initiated anti-dumping and anti-subsidy investigations into supply of certain photovoltaic products supplied by PRC manufacturers to European markets. According to a comment made by Yingli European head Darren Thompson on August 29, 2012, “[i]t goes without saying that the anti-dumping complaint filed at the EU Commission late in July cast a shadow over Europe’s solar industry along the whole value chain.” In June 2013, the European Union made a provisional finding providing for the imposition of anti-dumping duties. Then, in August 2013, the European Union accepted an undertaking from a group of Chinese PV manufacturers, including Yingli, voluntarily limit their exports of solar panels and to set prices above a minimum price, in exchange for the EU agreeing to forgo imposing anti-dumping duties.

37. The result of these three developments was to sharply curtail Yingli’s sales to Europe between 2010 and 2013.

	2009	2010	2011	2012	2013	2014
Sales to Europe (thousand \$)	951,178	1,561,585	1,440,964	1,102,042	666,880	395,830
Sales to Europe (% of total)	89.5%	82.5%	61.8%	60.3%	30.1%	19%
Sales to China (thousand \$)	48,126	113,018	518,263	425,891	751,025	733,474
Sales to China (% of total)	4.5%	6.0%	22.2%	23.3%	33.9%	35.2%

1 B. The Chinese government creates the Golden Sun program to jump-start  
2 the domestic Chinese solar power industry.

3  
4 38. Though Chinese solar companies were heavily involved in  
5 international solar projects, China's own solar power development was minimal.  
6 By December 31, 2010, China had developed less than 1 GW of solar power,  
7 against 2010 exports by Chinese companies of 10 GW of solar panels.<sup>5</sup>

8 39. Beginning in 2011, the Chinese government undertook to massively  
9 increase subsidies for domestic production of solar power. In 2011, China's  
10 National Energy Administration released a draft of its Twelfth Five-Year Plan for  
11 the Development of Renewable Energy, calling for the installation of 10 GW by  
12 2015 (China later raised the 2015 goal to 21 GW in 2012 and 35 GW in 2013) and  
13 50 GW by 2020. In August 2011, China's National Development and Reform  
14 Commission issued its Notice on Perfecting Feed-in Tariff Policy of Solar PV  
15 Power Generation, setting an initial rate of \$0.15 per kilowatt-hour – enough to  
16 allow solar electricity providers to break even in 7 years of an estimated 25+ year  
17 project lifespan.<sup>6</sup>

18 40. In 2011, China installed about 2.5 GW of solar power domestically. In  
19 2012, it installed about 5.0 GW domestically.

20 41. A large part of the expansion of China's solar panel output was driven  
21 by a program named Golden Sun, an ambitious Chinese subsidy program designed  
22 to jump-start China's domestic production of solar power.

23  
24 <sup>5</sup> *Id.*

25 <sup>6</sup> Coco Liu, China Uses Feed-In Tariff to Build Domestic Solar Market, N.Y.  
26 Times Sept. 14, 2011, available at <  
27 [http://www.nytimes.com/cwire/2011/09/14/14climatewire-china-uses-feed-in-](http://www.nytimes.com/cwire/2011/09/14/14climatewire-china-uses-feed-in-tariff-to-build-domestic-25559.html)  
28 [tariff-to-build-domestic-25559.html](http://www.nytimes.com/cwire/2011/09/14/14climatewire-china-uses-feed-in-tariff-to-build-domestic-25559.html)>. All articles cited in this Complaint are  
incorporated by reference.

1 42. Domestic Chinese solar project developers received sizeable subsidies  
 2 for projects approved under Golden Sun. The subsidies were meant to defray 50%  
 3 of a project's actual costs, or 70% for rural projects. Moreover, the subsidies were  
 4 paid before construction even began.

5 43. Golden Sun was established in 2009, and initially only applied to  
 6 demonstration projects. Only 304 MW of projects were approved in 2009, and only  
 7 272 MW in 2010.

8 44. But when China jump-started production in 2011, Golden Sun was  
 9 expanded to include most of China's solar production.

10 45. The Golden Sun program provided massive subsidies. For projects  
 11 announced between 2009 and 2011, the Golden Sun program provided subsidies of  
 12 more than RMB 10 billion.<sup>7</sup> For projects announced in 2012, the Golden Sun  
 13 program provided subsidies of about RMB 24 billion.<sup>8</sup> Golden Sun awards were  
 14 made to projects totaling 6.147 GW in solar production.

15 46. Golden Sun subsidies included an explicit condition that projects had  
 16 to be completed quickly. The Golden Sun awards specifically provided that  
 17 projects receiving subsidies announced in 2009-2011 had to be completed before  
 18 February 15, 2012. Should Golden Sun recipients fail to timely complete the  
 19 projects, the awards were subject to a clawback.

20 47. Golden Sun applications were complicated and detailed. Applicants  
 21 were required to state the total cost of the PV project. Per the Implementation of  
 22

23  
 24 <sup>7</sup> Jiali Wang *et al*, The Ministry of Finance to Liquidate PV Industry's Golden Sun  
 Program. Where Did The Billions of RMB in Subsidies Go, May 20, 2013.

25 <sup>8</sup> You Wang, China Subsidized Golden Sun Program with Tens of Billions of  
 26 RMB in 3 years. PV Enterprises Conned Subsidies in a Rampant Way. The  
 27 Program May Come to an End, China Business News Daily, March 15, 2013  
 28 (reporting comments from Wentao Hou, PV Industry Analyst from Guotai Junan  
 Securities).

1 Golden Sun Program dated July 16, 2009, applicants were also required to follow a  
 2 bid process to obtain PV parts from suppliers like Yingli. And the applications  
 3 were required to include contracts with the PV parts suppliers, purchase  
 4 agreements, and project pricing documents to prove the total claimed cost of the  
 5 PV project.

6 48. Yingli was the largest single beneficiary of the Golden Sun program.  
 7 According to a press release issued by Yingli on December 11, 2012, Yingli  
 8 supplied one quarter of the photovoltaic panels used in all the Golden Sun projects,  
 9 including 70% of a batch of Golden Sun projects announced in December 2010.<sup>9</sup>

10 49. Yingli benefited from the Golden Sun program in two ways. First,  
 11 Yingli developed its own projects, for which it directly received Golden Sun  
 12 subsidies. Second, with Golden Sun subsidies, many more projects were viable,  
 13 and Yingli's customers turned to Yingli to supply solar panels.

14 50. Yet even when projects were developed by Yingli's customers, rather  
 15 than Yingli itself, the subsidies frequently were paid directly to Yingli. For  
 16 example, on December 10, 2010, the Chinese government announced Golden Sun  
 17 awards to projects amounting to 272 MW; Yingli was contracted to supply solar  
 18 panels to projects amounting to 190 MW of the total awards. In fact, that very  
 19 December, Yingli was paid \$113.5 million from the subsidies, amounting to 35%  
 20 of the total purchase price for Yingli's solar panels. 2010 20-F, at 73.

## 21 **VI. DEFENDANTS' FALSE STATEMENTS**

22 A. Yingli misleadingly omitted to disclose that it and other Golden Sun  
 23 participants were systematically defrauding Golden Sun.  
 24

25  
 26  
 27  
 28 <sup>9</sup> Source: 2010 20-F, at 73.



1           51.       According to Defendants, Golden Sun was a centerpiece of Yingli's  
2 strategy in China.

3           52.       In a press release issued December 2, 2010, Yingli stated:  
4

5           "We are honored to become a major PV module supplier for the  
6 Golden Sun Program, which is a significant business milestone for our  
7 expansion in the Chinese solar market," Mr. Liansheng Miao,  
8 Chairman and Chief Executive Officer of Yingli Green Energy  
9 commented. "I am happy to witness that the Chinese government has  
10 demonstrated its strong commitment to boost renewable energy  
11 utilization in its recently announced Five-Year Plan. Meanwhile, the  
12 renewable energy industry, including solar energy, has been identified  
13 as one of China's strategic emerging industries by the central  
14 government of China. Earlier today, the Ministry of Finance, the  
15 Ministry of Science and Technology, the Ministry of Housing and  
16 Urban-Rural Development, and the National Energy Administration  
17 jointly hosted a meeting to further boost the utilization of renewable  
18 energy in China. In the meeting, the Chinese government declared its  
19 expectations to further expand its PV project portfolio in the next two  
20 years to reach a scale of at least 1,000 MW per year after 2012."

21           *"As a solar pioneer based in China, Yingli Green Energy has*  
22 *demonstrated a firm commitment to the Golden Sun Program.*<sup>10</sup> The  
23 Company is responding to its mission and responsibility to meet the  
24 demand for affordable renewable energy in China by supplying high  
25 quality PV products from cutting-edge technologies. In addition, we  
26 expect this strategic move in emerging markets will further reduce the  
27 dependence on the German market, thus strengthening our long-term  
28 development dynamics," Mr. Miao concluded.

23           53.       Golden Sun projects were intended to be completed quickly. Failure  
24 to complete the projects within a year was a violation of the grant's terms and  
25 subjected award recipients to clawback of the entire subsidy amount.  
26

27  
28 <sup>10</sup> Unless otherwise noted, all emphases are added.



54. In fact, on June 26, 2011, the Chinese government published a notice providing that if a project was not connected to the grid by the due date, the Chinese government “shall” recover the subsidy from the developer. The contract awards announced in Yingli’s December 2, 2010 press release were required to be completed by February 15, 2012.

55. On the Q1 2011<sup>11</sup> Earnings Call, Defendant Miao stated:

*In China, we have established a solid market position through continuous involvement in a series of solar initiatives, such as the Golden Sun Program.* We are growing more confident in the Chinese government signaling that it is considering raising cumulative PV installation targets to 10 gigawatts by 2015 and 50 gigawatts by 2020. We strongly believe that China will quickly evolve into one of the largest and most important solar markets in the world.

56. On the Q4 2011 Earnings Call, Defendant Miao stated:

China market achieved significant growth in 2011 and has become one of the most promising emerging markets. *The strong performance is attributable to the boom in the utilities segment driven by the feed-in tariffs and the steady growth in the rooftop segment under the Golden Sun Program.* Based on our commitment – committed strategic layout in broad sales networks, our sales to China increased to 22% of total revenues in 2011, compared to only 6% a year ago. We have reallocated our domestic sales force and implemented different strategic strategies to better address demands on the utility segment in Western China, and rooftop segment in Eastern China. We will continue to provide our customers with full service that covers project planning, technical support and talent training to improve our brand loyalty in establishing Yingli Solar as the brand of choice. Through enhanced cooperation with our

<sup>11</sup> All capitalized terms not defined herein are defined in the accompanying List of Defined Terms and Speakers, which is incorporated by reference into this Complaint.

1 customers, we are on track to further improve our leading position in  
2 China.

3 57. The Q4 2011 Earnings Call took place on February 29, 2012 - after  
4 the construction deadline imposed by the Chinese government to avoid a clawback.

5 58. Thus, Defendants made clear that Yingli's financial performance  
6 depended on Golden Sun.

7 59. Yet despite its critical importance to Yingli's financial performance,  
8 Defendants made misleading statements about Golden Sun.

9 60. On the Q1 2012 Earnings Call, Defendant Miao attributed part of  
10 Yingli's success to the Golden Sun Program:

11  
12 In recent two months, we have actively involved in the bidding for  
13 many ground mounted projects. We expect that China – we expect the  
14 demand in China market to surge in second and third quarter, as the  
15 constructions of utility scale will be gradually begin in Western  
16 China.

17 ***Earlier this month, the China government announced a total of***  
18 ***1,709 megawatts Golden Sun program for 2012, while the number***  
19 ***was only 689 megawatts in 2011.*** In addition, we expect promising  
20 demand from the public and family-use sector, especially independent  
21 off-grid systems in remote area may be also encouraged by the  
22 Chinese government. ***We will fully utilize our domestic sales and***  
23 ***service networks to bid for the projects and target to provide more***  
24 ***customers with Yingli modules. We expect approximately 30% of***  
25 ***our revenue to come from Chinese customers this year by leveraging***  
26 ***our solid customer relations and pioneer position in China.***

27 61. In the Q2 2012 Earnings Release, Defendant Miao was quoted as  
28 saying:

29 ***In China, demand started to pick up as the installation of utility***  
30 ***scale projects in northwestern China and the Golden Sun Program***  
31 ***gradually accelerated.*** We expect to see a significant increase of

1 demand in China in the second half of this year, especially from  
2 September to November.

3  
4 62. On the Q3 2012 Earnings Call, Defendant Li stated:

5 *And under the current situation based on our understanding, we*  
6 *expect the China government will be announced more and more*  
7 *incentive program. The Golden Sun volume for next year will be*  
8 *much larger than this year* and the ground project of RMB1 feed-in  
9 tariff for this year will be – remain the same for next year. *There will*  
10 *be no any cut.*

11  
12 63. On the Q3 2012 Earnings Call, Defendant Miao also stated:

13 In addition to our own application for the Golden Sun Program, we  
14 have actively helped our customers with the application procedures.  
15 We believe this practice will reinforce our customer relations and help  
16 expand our market shares in China.

17  
18 64. On the Q3 2012 Earning Call, Defendant Miao stated:

19 <Q - >Just a quick one on the receivables. What were the payment  
20 terms like in China right now? And also, given that the shipments to  
21 China will still continue accounting for significant portion, what  
22 would be Yingli's strategy to contain the receivables at comfortable  
23 levels? Thank you.

24 <Defendant Miao> [Foreign Language]

25 <A – Arthur Chen>:<sup>12</sup> We are now taking this very seriously. He  
26 [Miao] thinks this is a very important question to be addressed but  
27 however observing from the trend that we control and the situation  
28 has been improving from Q3 to present. And going forward and he  
thinks that there are many ways that it could further improve and one  
way is to like (inaudible) which could potentially be changed in the

<sup>12</sup> Arthur Chen was translating Defendant Miao's answer, which was provided in a foreign language.

1 future and certainly we are going to tap into the downstream market  
 2 and which make it more leverage and thirdly the Chinese government  
 3 will implement stringent regulations in which will also benefit from  
 4 this. ***And also the Golden Sun project in which we are offer a better,  
 much better payment terms that will also benefit us from those  
 5 payment terms and also for some of the receivables will rely further  
 upon insurance to make sure that those receivables will be covered.***  
 6

7 65. In a press release issued December 11, 2012, to announce Yingli's  
 8 second phase 2011 programs, Defendant Miao was quoted as saying:

9 ***The acceleration of the Golden Sun Program and the***  
 10 ***announcements of other incentive policies have clearly***  
 11 ***demonstrated China's strong determination of promoting solar***  
 12 ***applications.*** With these policies in place, we believe that the China  
 13 PV market will achieve a faster and healthier growth. We'll continue  
 14 to enhance our business activities in China and power more families  
 and businesses with our high quality products.

15 66. Yingli accompanied its Q4 2012 earnings call with a series of  
 16 powerpoint slides. The slides provided that: "We secured 288 MW of modules  
 17 under the Golden Sun Program to delivery in 2013."

18 67. Then, on the Q4 2012 Earnings Call, Defendant Miao stated that  
 19 China would meet its quota of roughly 30 GW production by 2015 through Golden  
 20 Sun projects.<sup>13</sup> And Defendant Miao added that ***"in the future, our profitability***  
 21 ***points are really coming from Golden Sun Program and the distributed***  
 22 ***generation program will leverage our brand name and network."***  
 23

---

24 <sup>13</sup> Specifically, Defendant Miao stated: "As you may all heard, so for year 2015  
 25 and the installation from now through 2014, the total installation would be up  
 26 roughly 30 gigawatts Chinese market. So this year we are estimating we will be 10  
 27 gigawatts minimum length and there are three types of segments that will be  
 28 highlighted probably during the next three or four years. [...] The second one is  
 announce the Golden Sun Program."

1        68.        The emphasized statements in ¶¶60-67 above were false and  
 2 misleading because, for the reasons set out in ¶¶69-81 and 101-114, below: (a) they  
 3 omitted to disclose that a large proportion of Golden Sun contracts were procured  
 4 through outright fraud; (b) they omitted to disclose that in its own Golden Sun  
 5 projects, Yingli committed fraud by overstating its actual costs, purposefully  
 6 delaying construction to benefit from rapidly decreasing costs, and substituting  
 7 lower quality materials after an application is approved; (c) for these reasons, the  
 8 Golden Sun program was in danger of being cancelled; and (d) award recipients  
 9 would soon have their subsidies clawed back and be unable to pay Yingli for the  
 10 solar panels, causing Yingli to write off substantial amounts of accounts  
 11 receivable.

12  
 13        B. The Chinese government cancels Golden Sun because of fraud and  
 14        abuse.

15  
 16        69.        On March 18, 2013, Bloomberg published an article calling attention  
 17 to a new Chinese government policy enacted on March 14, 2013.<sup>14</sup> The Bloomberg  
 18 article cited Xiangnan Meng, Vice Chairman of the China Renewable Energy  
 19 Society in Beijing, as saying that the March 14 policy may abolish Golden Sun  
 20 subsidies. Mr. Wang was quoted as saying that Golden Sun “have been  
 21 increasingly accused of using public resources *inefficiently* by providing  
 22 developers with an *overgenerous* capital expenditure-based subsidy before  
 23 installation” (emphasis added). The March 18 Bloomberg article, however, did not  
 24 mention any fraud or abuse in the Golden Sun program. Nor did it mention Yingli.

25        70.        As a result of this adverse news, on March 18, 2013, Yingli’s stock  
 26 price fell from \$2.47/ADS to \$2.30/ADS, or 6.9%, damaging investors.

27 <sup>14</sup> China Seen Cutting Subsidy for Largest Solar Projects: Energy, Bloomberg  
 28 News, March 18, 2013.

1           71.       On March 18, 2013, 80 solar industry professionals gathered at the PV  
2 Project Implementation Conference – China to discuss the future of the Chinese  
3 PV market. On March 20, 2013, PV Magazine, an industry journal, published an  
4 article citing rumors that Golden Sun would be scrapped, and quoted Minsheng  
5 Securities analyst Hai Sheng Wang as saying that “it is very likely that Golden Sun  
6 will be cancelled soon.”<sup>15</sup> The March 20, 2013 PV Magazine article did not  
7 mention any fraud or abuse in the Golden Sun Program. Nor did it mention Yingli.

8           72.       Also on March 20, 2013, Sicheng Wang of the Energy Research  
9 Institute, part of China’s top economic planning authority, the National  
10 Development and Reform Commission, spoke about a shift from Golden Sun,  
11 which offers subsidies for capacity construction, to a program that subsidized  
12 performance. And on March 21, NPD Solarbuzz analyst Han Qiming stated at a  
13 separate conference organized by econet china that Golden Sun would be scrapped  
14 in 2013. Wang and Qiming’s comments were reported in a March 22, 2013 article  
15 in PV Magazine.<sup>16</sup> The March 22, 2013 PV Magazine article did not mention any  
16 fraud or abuse in the Golden Sun program. Nor did it mention Yingli.

17           73.       These disclosures trickling in between March 20 and March 22, 2013,  
18 caused Yingli’s stock price to fall from \$2.52/DS on March 20 to \$2.32/ADS on  
19 March 21, a fall of 7.9%, then to \$2.17/ADS on March 22, a fall of 6.5%, and  
20 finally to \$1.96/ADS on March 25 (the next trading day after March 22), a fall of  
21 9.7%. The total price collapse was 22.2%.

22           74.       In April 2013, the Chinese Ministry of Finance issued its Notice on  
23 the Settlement of the Financial Subsidy Funds for the Golden Sun Demonstration  
24

25 \_\_\_\_\_  
26 <sup>15</sup> Eckhart Gouras, China: Scaling back ambitions and overhauling PV subsidies,  
27 PV Magazine, March 20, 2013.

28 <sup>16</sup> Eckhart Gouras, Solarcon 2013: Restructuring in China, PV Magazine, March 22,  
2013.



1 Projects (No. 117) (“Notice 117”), ordering inter alia that projects which had  
 2 received subsidies in 2009-2011 but had not been completed on schedule were  
 3 cancelled and the subsidies would be recovered. Pursuant to Notice 117, sub-  
 4 national Departments of Finance began to issue notices to developers that had been  
 5 granted awards in 2009-2011: (a) finding that the developers had breached the  
 6 terms of their awards by failing to develop solar power within one year as provided  
 7 in the grant; and (b) demanding that the developers repay all or part of the subsidy.

8 75. On May 20, 2013, a Chinese-language article was published on  
 9 Sina.com by a reporter from Caijing Magazine, a respected Chinese-language  
 10 business daily.<sup>17</sup> The May 20, 2013 Caijing article reported that the Ministry of  
 11 Finance had issued notices to 109 projects, accounting for 998 WM of the 1,295  
 12 MW for which subsidies had been issued, and demanded repayment of nearly  
 13 RMB 10 billion. For example, the Chinese government demanded return of  
 14 hundreds of millions of RMB from Datang Power Generation Co. Ltd., and  
 15 approximately RMB 240 million from Guangxi Yuchai New Energy Co Ltd.  
 16 project.<sup>18</sup>

17 76. It was only later that it became clear that the Golden Sun program was  
 18 being cancelled because of fraud and abuse. First, a June 8, 2013 China Economic  
 19 Weekly article reported that the Ministry of Finance had issued demands for  
 20 repayment of subsidies for an astounding 80% of the subsidies that had been  
 21 awarded in 2009-2011.<sup>19</sup>

24 <sup>17</sup> Jiali Wang et al, The Ministry of Finance to Liquidate PV Industry’s Golden Sun  
 25 Program. Where Did The Billions of RMB in Subsidies Go, May 20, 2013.

26 <sup>18</sup> *Id.*

27 <sup>19</sup> Fengtao Li, “Liquidation” is not “Cancellation.” PV Golden Sun will not sink,  
 28 China Economic Weekly, June 8, 2013. The June 8, 2013 China Economic Weekly  
 article was not reported in the English-language press.

77. Then, on June 20, 2013, the Chinese National Audit Office issued a report on its audit of the Golden Sun Program. The National Audit Office Report estimated that by wattage, 29% of the projects awarded in 2009-2011 were procured through intentional fraud. The National Audit Office Report reached its conclusion by auditing a sample of projects amounting to only 239.37 MW;<sup>20</sup> in that sample alone, the National Audit Office determined that subsidies of RMB 207 million had been awarded based on intentional fraud. The National Audit Office Report identified three types of fraud. First, subsidy recipients overstated the costs of materials and therefore of whole projects to obtain higher subsidies. Second, subsidy recipients agreed to build projects using high quality materials, but then used cheaper poor quality materials instead. Third, contractors submitted false applications using fraudulent paperwork, or misappropriated subsidies for other purposes.

78. The National Audit Office's June 20 report identified projects that were procured through intentional fraud:

Project	Violation	Status of recovery effort
Hunan Junhong Real Estate Co Ltd PV Power Model Project	Misappropriated RMB 3 million to pay unrelated transfer fee, land use rights, and taxes	Subsidy returned
Guangdong Hanergy Co Ltd 10MW PV Power Project	Substantially overstated project size to obtain RMB 26.4 million, violating rules	Subsidy returned
Sha'anxi Yulin Yushen Energy Development and Construction Co Ltd - Yushen Industrial Zone Coal Museum PV Power Model Project	Fabricated documents and fraudulent obtained RMB 21.87 million in subsidies	Redressing the violation
Sha'anxi Yanan Shenzhen Light Industry Zone Co Ltd - Yanan Economy and Technology Development Zone Plants' Rooftops	Applied on behalf of an unqualified project and obtained RMB 38.51 million	Redressing the violation

<sup>20</sup> Fengtao Li, The Golden Sun Project: Fraud with Zero Risk. So Why Not Con? China Economic Weekly, July 1, 2013. The July 1, 2013 China Economic Weekly article was not reported in the English-language press.



PV Power Consolidated Module Model Project		
Shandong Dongying PV Solar Power Co Ltd - Donging PV On Grid Power Plant Construction Project	Supplied untruthful leasing agreement to obtain RMB 33.6 million in violation of rules	Redressing the violation
Anhui Bengbu Glass Industry Design Institute - Ningguo Port Ecosystem Industry Zone PV Power Model Project	Submitted untruthful rooftop leasing agreement, and obtained 33.5989 million RMB subsidies in violation of rules	Redressing the violation
Anhui Maanshan South Transitional Industrial Transfer New Zone Economic and Technological Development Co Ltd - Transitional Industrial Transfer Model Park PV Power Model Project (Phase I)	Obtained 3.5 million RMB subsidies in violation of rules by submitting duplicate applications	Redressing the violation
Anhui Central Energy Investment and Management Co Ltd - Longzihu Industrial Park User Supplemental Grid Non-Silicone PV Power Project	Submitted fraudulent application and obtained 59.26 million RMB subsidies in violation of rules	Redressing the violation

79. On June 25, 2013, Solar PV Investor reported that “[t]he report is another signal that the Golden Sun subsidy program is nearing its end.”<sup>21</sup>

80. As set out in ¶¶109-114 below, Yingli itself committed fraud in Golden Sun applications.

81. Golden Sun was finally cancelled in December 2013.

82. One substantial factor in the Chinese government’s decision to halt and ultimately terminate Golden Sun was its discovery that Golden Sun applicants were systematically committing fraud in obtaining subsidies. The fraud and abuse thus made it substantially more likely that the Chinese government would cancel the Golden Sun project, and seek clawbacks. Golden Sun’s cancellation, therefore, was a materialization of the risk of fraud and abuse in the Golden Sun program.

<sup>21</sup> Ray Yu, Vast Subsidy Fraud Revealed in Chinese PV Industry, Solar PV Investor, June 25, 2013, available at <<http://tinyurl.com/qzkgsjq>>.

1 C. Defendants misleadingly omit to take an allowance for doubtful accounts  
2 in the wake of the Golden Sun collapse.

3  
4 83. The 2013 20-F provided that:

5 ***We establish an allowance for doubtful accounts for the estimated loss on***  
6 ***receivables when collection may no longer be reasonably assured.*** We  
7 assess collectability of receivables based on a number of factors, including  
8 the customer's financial condition and creditworthiness.

2013 20-F, at 72-73.

9 84. The 2013 20-F provided that:

10 The Company maintains an allowance for doubtful accounts for estimated  
11 losses resulting from the inability of its customers to make required  
12 payments. The allowance for doubtful accounts is based on a review of  
13 specifically identified accounts and aging data. Judgments are made with  
14 respect to the collectability of accounts receivable balances based on  
15 historical collection experience, customer specific facts and current  
16 economic conditions. Account balances ***are charged off against the***  
***allowance after all means of collection have been exhausted and the***  
***potential for recovery is considered remote.***

2013 20-F, at F-19.

17 85. The 2013 20-F also provided that "[o]ur consolidated financial  
18 statements have been prepared in accordance with accounting principles generally  
19 accepted in the United States, or U.S. GAAP." 2013 20-F, at 3.

20 86. In fact, because of the Golden Sun clawbacks, collectability could no  
21 longer be reasonably assured for many of Yingli's accounts.

22 87. As set out above, in April/May 2013, the Chinese government issued  
23 clawback notices to Golden Sun subsidy recipients who had not completed their  
24 project in compliance with project requirements. The May 20, 2013 Caijing article  
25 quoted a Yingli sales head as saying that Yingli supplied solar panels to 55 Golden  
26 Sun projects awarded in 2010 and 2011, and that 51 of the projects had received  
27  
28

1 notices demanding repayment for failure to meet conditions of the awards.<sup>22</sup> The  
2 sales head added that hundreds of millions of RMB of Yingli's accounts receivable  
3 were gravely imperiled.<sup>23</sup>

4 88. According to FE 1, Yingli conducts formal reconciliations every  
5 month with its buyer's accounting department. Notwithstanding these  
6 reconciliations, Yingli will not book items as bad debt when it should because it  
7 adversely affects Yingli's financial performance. According to FE 1, the  
8 accounting department records a provision for doubtful accounts solely as a last  
9 resort, when Yingli has lost virtually all hope of collecting any bad debt. Yingli's  
10 processes require the accounting team to follow a complex auditing process with  
11 Yingli's tax team before recording any provision for doubtful accounts.  
12 Specifically, Yingli's accounting staff is only permitted to recognize bad debt if it  
13 simultaneously obtains permission from the tax office to write off income from the  
14 debts from Yingli's taxes and thereby obtain a tax refund. The process is  
15 cumbersome and has the effect of delaying the recognition of any bad debt.  
16 Moreover, it contradicts Yingli's statements that Yingli recognizes bad debt as  
17 soon as collection is no longer reasonably assured. FE 1 never recognized any bad  
18 debt for Yingli.

19 89. According to FE 2, as he left Yingli in May 2013, Yingli was owed  
20 approximately RMB 100 million from Shanghai Chaori Solar Energy Science &  
21 Technology Co. Ltd. ("Chaori"). The amounts owed by Chaori were recognized as  
22 (current) accounts receivable on Yingli's books by December 2012 at the latest.  
23 Chaori was one of Yingli's largest debtors. According to FE 2, Chaori was heavily  
24 involved in Golden Sun. Chaori was one of the Yingli debtors whose existence was  
25 imperiled by the Golden Sun clawbacks.

26  
27 <sup>22</sup> *Id.*

28 <sup>23</sup> *Id.*

1 90. Chaori was unable to pay its bills. According to FE 2, between late  
2 2012 and the end of FE 2's tenure in May 2013, Yingli sent numerous letters  
3 demanding payments to Chaori. Numerous trade creditors sued Chaori; by July  
4 2013, creditors had filed lawsuits seeking a total of RMB 1.906 billion.

5 91. In April 2013, Yingli's subsidiary Hainan Yingli New Energy  
6 ("Hainan Yingli") sued Chaori for RMB 75.3 million relating to one particular  
7 dispute between Yingli and Chaori. On September 1, 2013, the court ruled in favor  
8 of Yingli, awarding it the full RMB 75.3 million plus interest and fees. The court's  
9 opinion summarizes the dispute. According to the court's opinion, Chaori's  
10 payment was due in May 2013, but on March 18, 2013, Chaori sent Yingli a letter  
11 stating it did not presently have enough cash to pay the amounts it owed and asked  
12 to extend payment on the RMB 75.3 million until the end of 2013.

13 92. Further, the court's opinion lists Defendant Liansheng as Hainan  
14 Yingli's legal representative.

15 93. Chaori defaulted on its PRC-issued notes in March 2014. Then, in  
16 July 2014, a Chaori supplier sought to place it in bankruptcy, and the Chinese court  
17 accepted the case. According to Chaori Employee 1, on or after July 2014, Chaori  
18 advised all of its creditors (including Yingli) to seek to pursue creditor's rights  
19 with the court hearing Chaori's bankruptcy.

20 94. An allowance for doubtful accounts results in a charge against net  
21 income. Yingli's 2013 net loss was about RMB 2.1 billion. Yingli should have  
22 recorded an allowance for doubtful accounts for its Golden Sun clients in 2013,  
23 since collectability was no longer reasonably assured given that all of the subsidies  
24 they had received had been, or were in the process of being, clawed back. In  
25 particular, Chaori told Yingli it could not pay the amounts it owed Yingli, Yingli  
26 was forced to sue, and the amounts of lawsuits against Chaori exceeded its assets.  
27 Accordingly, Yingli should have recorded an allowance for doubtful account of  
28

1 RMB 75.3 million for Chaori alone, in addition to allowances for doubtful  
2 accounts arising from its other Golden Sun doubtful accounts.

3 95. Yet, in 2013, Yingli did not record any allowance for doubtful  
4 account related to Chaori. Indeed, Yingli did not record any substantial allowance  
5 for doubtful accounts for Golden Sun write-offs, as that year, Yingli recognized a  
6 total allowance for doubtful account of only RMB 20.0 million.

7 96. Instead, Yingli waited until 2014 to record an allowance for doubtful  
8 accounts, recording an additional allowance for doubtful accounts of RMB 228.8  
9 million that year.

10 97. On March 25, 2015, Yingli announced its financial results for Q4  
11 2014, disclosing that Yingli was recording a bad debt provision of RMB 90.5  
12 million in Q4 2014, or about (\$0.08) per share.

13 98. The allegations in this complaint establish the bad debt provision  
14 arose from private domestic customers who had never made their final payment in  
15 projects subsidized by Golden Sun. First, Yingli admitted that Golden Sun  
16 imperiled hundreds of millions of RMB of its accounts receivable owed by  
17 domestic Chinese customers. And second, other than another allowance for  
18 doubtful accounts made in Q1 2014, Yingli did not add to its allowance for  
19 doubtful accounts to account for the hundreds of millions of RMBs in accounts  
20 receivable it lost through the Golden Sun clawbacks.

21 99. On March 25, 2014, as of result Yingli's disclosure of the bad debt  
22 provision related to cancellation and clawbacks of Golden Sun subsidies, its stock  
23 price fell from its previous close of \$2.34/ADS to \$1.99/ADS, or 15.0%, damaging  
24 investors.

25 100. On May 15, 2015, Yingli filed its 2014 20-F.

26 101. The 2014 20-F disclosed that Yingli was writing off \$33.2 million of  
27 overdue accounts receivable. For the same reasons that the March 25 allowance for  
28

1 bad debt related to Yingli's Golden Sun projects for domestic Chinese customers,  
 2 the 2014 20-F write-off related to private domestic customers who had never made  
 3 their final payments in projects subsidized by Golden Sun.

4 102. On May 18, 2015, the next trading day, Yingli's stock price fell from  
 5 its previous close of \$1.70/ADS to \$1.49/ADS, or 12.4%, and it continued to fall to  
 6 \$0.94/ADS, or by 37.0%, the following day, damaging investors.

7  
 8 **VII. DEFENDANTS' STATEMENTS WERE MADE WITH**  
 9 **SCIENTER, AND PLAINTIFFS COMPLIED WITH THE**  
 10 **STATUTE OF LIMITATIONS**

11 103. This Action was filed on May 28, 2015, and Plaintiffs' claims are  
 12 subject to a statute of limitations of 2 years.

13 104. Plaintiffs are individual investors and do not read Chinese or speak  
 14 Mandarin. Plaintiffs did not review, and could not have reviewed, the May 20,  
 15 2013 Caijing article, or a March 15, 2013 Chinese-language article published in the  
 16 China Business News Daily, which in any case did not discuss Yingli. The Caijing  
 17 article was not reported on Bloomberg or anywhere in the English language press.  
 18 Even had Plaintiffs reviewed the Caijing article, they would not have been able to  
 19 confirm the reporter's account in the eight days between May 20, 2013 and May  
 20 28, 2013 and file a securities fraud lawsuit. While the Caijing article listed the  
 21 name of the reporter, it did not list any contact information for the reporter.  
 22 Plaintiffs later sought to arrange an interview with the reporter through Caijing,  
 23 leaving several messages over a period of days asking to be put in touch with the  
 24 reporter. Caijing did not respond to Plaintiffs' messages. Lead Plaintiffs are based  
 25 in Illinois, while Named Plaintiff is based in Colorado, and are in time zones  
 26 respectively 11 and 10 hours apart from China. Further, because Plaintiffs do not  
 27 speak Mandarin, they would have had to retain a Chinese-speaking interpreter to  
 28

1 assist them in speaking with the journalist, even if Caijing had provided the  
2 reporter's contact information, which it didn't.

3 105. Nor is it unreasonable for Plaintiffs to invest in Yingli even though  
4 they do not speak Chinese. As an SEC-filing issuer, Yingli was required to provide  
5 annual financial statements and periodic updates in its SEC filings. All SEC filings  
6 must be in English.<sup>24</sup> Further, Yingli's conference calls were conducted in English,  
7 not Mandarin.

8 106. Nor could Yingli have confirmed the reports of the sales head quoted  
9 in the May 20, 2013 Caijing article. As an issuer subject to the securities laws of  
10 the United States, Yingli is prohibited from selectively disclosing material non-  
11 public information. Regulation FD [17 C.F.R. § 243.100(a), (b)(iv)].

12 107. Yingli is closely followed by stock analysts who issue periodic reports  
13 updating investors on developments. During the period from March 14, 2013 to  
14 May 28, 2013, analysts from Deutsche Bank, UBS, Credit Suisse, Oppenheimer &  
15 Co., Roth Capital partners, Maxim Group, Macquarie Capital, Morningstar  
16 Research, and Trefis each issued at least one report on Yingli. Not one analyst  
17 report mentioned that there were allegations of widespread fraud in Golden Sun.  
18 This demonstrates that not even reasonably sophisticated institutional investors had  
19 access to or could have reasonably discovered the information in the May 20, 2013  
20 articles, nor established from other pre-May 28, 2013 articles that Golden Sun's  
21 cancellation was linked to widespread fraud and abuse.

22 108. Further, the Caijing article did not provide definitive proof that Yingli  
23 knew or was reckless in not knowing that its own statements about Golden Sun  
24 were false. While the Caijing article showed that Yingli's projects were  
25 responsible for some of the fraud and abuse, it did not show that Yingli itself knew  
26

27 <sup>24</sup> See SEC Release No. 33-8099 *et seq.*, Section II.C., available at  
28 <<https://www.sec.gov/rules/final/33-8099.htm#treatment>>.



1 that its projects were non-compliant or that Yingli engaged in any intentional  
2 fraud.

3 109. In fact, Yingli plainly knew of the widespread Golden Sun fraud and  
4 abuse because it partook in the fraud and abuse: Yingli's Golden Sun projects were  
5 extremely profitable because it benefited from at least three different kinds of fraud  
6 and abuse.

7 110. First, according to FE 2, Yingli made false statements about its costs  
8 in Golden Sun applications. Yingli's Golden Sun contracts provided solar panels at  
9 a typical rate of RMB 6 per watt. Yet in Golden Sun applications, Yingli reported a  
10 typical rate of about RMB 10 per watt. Yingli thus overstated the costs of solar  
11 panels on its projects by about RMB 4 per watt, resulting in a fraudulent over-  
12 subsidy to Yingli and its customers of about RMB 2 per watt.

13 111. Second, according to FE 2, Yingli deliberately delayed construction of  
14 Golden Sun projects. Because the subsidies were paid immediately, while costs  
15 were only paid when they were incurred during construction, Yingli and its  
16 customers thereby obtained interest free loans from the Golden Sun programs. But  
17 the benefits often were even more substantial because throughout 2009-2013,  
18 prices for solar panels and solar power accessories were falling steeply. Between  
19 Q4 2010 and Q4 2012, the cost of producing 1 watt of solar power prices fell by  
20 54%.<sup>25</sup> FE 2 cites as an example a large relatively-expensive project for which  
21 Yingli received a subsidy in very early 2012. At that time, Yingli could only  
22 complete the project for RMB 13 per watt, the amount reported in the subsidy  
23 application. Yet by deliberately delaying construction, Yingli was able to complete  
24 the project at a time when its costs had fallen to RMB 7-8 per watt. Yingli thus  
25 earned a fraudulent profit of RMB 5-6 per watt from the project.

26  
27 <sup>25</sup> See generally PV Technology and Cost Outlook, 2013-2017, Green Tech Media  
28 Research, available at <<http://tinyurl.com/zxgeoed>>.



112. And third, according to FE 2, Yingli provided parts that fell below its representations in its subsidy applications. For example, when Yingli's contracts called for use of a 240 watt solar panel, Yingli would use a 235 watt solar panel instead. According to FE 2, such fraudulent substitutions were "widespread." Because Yingli substituted lower-quality, cheaper materials, but received subsidies on projects that assumed higher-quality, more expensive materials, Yingli and its customers earned fraudulent profits from Golden Sun subsidies.

113. According to FE 2, in late 2009 and 2010, the government discovered several instances of fraud in Golden Sun projects. In response, subsidies awarded from September 2010 onwards provided that an inspection of the project should be conducted upon completion. Indeed, the September 21, Notice of Strengthening Golden Sun Program provides that an inspection should be conducted upon completion of a Golden Sun project.

114. According to FE 2, because of the many fraudulent substitutions of lower-quality goods, Yingli and its customers' projects did not comply with their subsidized projects' specifications, thus rendering Golden Sun subsidies subject to clawbacks. Yet according to FE 2, Yingli passed the inspections because its "good connections" with the auditors provided it a "certain influence" on their judgment. Before a government audit, Yingli's staff would review a project and ensure that a few specific locations in the projects met the subsidy standards. When the government audit team arrived, Yingli staff would direct the audit team to these areas which Yingli had previously prepared for inspection. Because of Yingli's good connections, the audit teams accepted Yingli's directions. More generally, Yingli's good connections ensured that government scrutiny of Yingli's projects was limited.

## **VIII.ADDITIONAL FACTS PROBATIVE OF SCIENTER.**

### *A. Accounts receivable are critically important to Yingli*

115. During the Class Period, Yingli's financial condition became ever more precarious.

116. At the same time, during the Class Period, accounts receivable became Yingli's largest asset.

117. Yingli used accounts receivable to meet its immediate cash flow needs. For example, Yingli sold accounts receivable and used them as security for short-term loans.

118. Accordingly, any fact that cast doubt on Yingli's receivables' collectability would impair its ability to raise the funds it needed to pay its obligations as they came due.

In thousands U.S. dollars	2010	2011	2012	2013	2014
Accounts receivable as of December 31:	289,291	338,483	583,321	697,710	655,808
Accounts receivable sold during the year ended December 31:	255,297	54,635	35,838	111,964	30,319
Accounts receivable used as security for loans as of December 31:	0	2,062	0	53,290	72,009

## IX. CLASS ACTION ALLEGATIONS

119. Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all those who purchased Yingli's securities between December 2, 2010 and May 15, 2015, inclusive and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs,

1 successors or assigns and any entity in which Defendants have or had a controlling  
2 interest.

3 120. The members of the Class are so numerous that joinder of all  
4 members is impracticable. Throughout the Class Period, Yingli's securities were  
5 actively traded on the New York Stock Exchange. While the exact number of Class  
6 members is unknown to Plaintiffs at this time and can only be ascertained through  
7 appropriate discovery, Plaintiffs believe that there are hundreds or thousands of  
8 members in the proposed Class. Millions of Yingli shares were traded publicly  
9 during the Class Period on the New York Stock Exchange. At the end of the Class  
10 Period, Yingli had 181,763,770 Ordinary Shares outstanding, including  
11 128,592,337 ordinary shares represented by ADSs. Record owners and other  
12 members of the Class may be identified from records maintained by Yingli's or its  
13 transfer agent and may be notified of the pendency of this action by mail, using the  
14 form of notice similar to that customarily used in securities class actions.

15 121. Plaintiffs' claims are typical of the claims of the members of the Class  
16 as all members of the Class are similarly affected by Defendants' wrongful  
17 conduct in violation of federal law that is complained of herein.

18 122. Plaintiffs will fairly and adequately protect the interests of the  
19 members of the Class and has retained counsel competent and experienced in class  
20 and securities litigation.

21 123. Common questions of law and fact exist as to all members of the  
22 Class and predominate over any questions solely affecting individual members of  
23 the Class. Among the questions of law and fact common to the Class are:

- 24 (a) whether the federal securities laws were violated by Defendants' acts as  
25 alleged herein;  
26  
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- 1 (b) whether statements made by Defendants to the investing public during the  
 2 Class Period omitted and/or misrepresented material facts about the  
 3 business, operations, and prospects of Yingli;  
 4 (c) whether the Individual Defendants caused Yingli to issue false and  
 5 misleading financial statements during the Class Period;  
 6 (d) whether Defendants acted knowingly or recklessly in issuing false and  
 7 misleading financial statements;  
 8 (e) whether the prices of Yingli ADSs during the Class Period were artificially  
 9 inflated because of the Defendants' conduct complained of herein; and  
 10 (f) to what extent the members of the Class have sustained damages and the  
 11 proper measure of damages.

12 124. A class action is superior to all other available methods for the fair  
 13 and efficient adjudication of this controversy since joinder of all members is  
 14 impracticable. Furthermore, as the damages suffered by individual Class members  
 15 may be relatively small, the expense and burden of individual litigation makes it  
 16 impossible for members of the Class to individually redress the wrongs done to  
 17 them. There will be no difficulty in the management of this action as a class action.  
 18  
 19  
 20

## 21 **X. APPLICABILITY OF PRESUMPTION OF** 22 **RELIANCE (FRAUD-ON-THE-MARKET** 23 **DOCTRINE)**

24 125. The market for Yingli's securities was open, well-developed and  
 25 efficient at all relevant times. As a result of the materially false and/or misleading  
 26 statements and/or failures to disclose, Yingli's securities traded at artificially  
 27 inflated prices during the Class Period. On February 18, 2011, the Company's  
 28 ADSs closed at a Class Period high of \$13.34 per share. Plaintiffs and other

1 members of the Class purchased or otherwise acquired the Company's securities  
2 relying upon the integrity of the market price of Yingli's securities and market  
3 information relating to Yingli, and have been damaged thereby.

4 126. During the Class Period, the artificial inflation of Yingli's ADSs was  
5 caused by the material misrepresentations and/or omissions particularized in this  
6 Complaint causing the damages sustained by Plaintiffs and other members of the  
7 Class. As described herein, during the Class Period, Defendants made or caused to  
8 be made a series of materially false and/or misleading statements about Yingli's  
9 business, prospects, and operations. These material misstatements and/or omissions  
10 created an unrealistically positive assessment of Yingli and its business,  
11 operations, and prospects, thus causing the price of the Company's securities to be  
12 artificially inflated at all relevant times, and when disclosed, negatively affected  
13 the value of the Company ADSs. Defendants' materially false and/or misleading  
14 statements during the Class Period resulted in Plaintiffs and other members of the  
15 Class purchasing the Company's securities at such artificially inflated prices, and  
16 each of them has been damaged as a result.

17 127. At all relevant times, the market for Yingli's securities was an  
18 efficient market for the following reasons, among others:

- 19 (a) Yingli's ADSs met the requirements for listing, and was listed and actively  
20 traded on the New York Stock Exchange, a highly efficient and automated  
21 market;  
22 (b) as a regulated issuer, Yingli filed periodic public reports with the SEC  
23 and/or the New York Stock Exchange;  
24 (c) Yingli regularly communicated with public investors via established market  
25 communication mechanisms, including through regular dissemination of  
26 press releases on the national circuits of major newswire services and  
27  
28

1 through other wide-ranging public disclosures, such as communications with  
 2 the financial press and other similar reporting services;

3 (d) Yingli was followed by at least 8 securities analysts employed by brokerage  
 4 firms who wrote reports about the Company during the Class Period,  
 5 including Credit Suisse Securities (USA) LLC, Deutsche Bank AG, RBC  
 6 Capital Markets, and Arete Research, and these reports were distributed to  
 7 the sales force and certain customers of their respective brokerage firms.  
 8 Each of these reports was publicly available and entered the public  
 9 marketplace;

10 (e) On average, 17% of Yingli's outstanding ADSs were traded weekly,  
 11 permitting a very strong presumption of that its shares traded on an efficient  
 12 market;

13 (f) More than 270 market makers made a market in Yingli's ADS; and/or

14 (g) New company-specific information was rapidly reflected in Yingli's stock  
 15 price.

16 128. As a result of the foregoing, the market for Yingli's securities  
 17 promptly digested current information regarding Yingli from all publicly available  
 18 sources and reflected such information in Yingli's stock price. Under these  
 19 circumstances, all purchasers of Yingli's securities during the Class Period  
 20 suffered similar injury through their purchase of Yingli's securities at artificially  
 21 inflated prices and a presumption of reliance applies.

22 129. A Class-wide presumption of reliance is also appropriate in this action  
 23 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. U.S.*, 406  
 24 U.S. 128 (1972), because the Class's claims are, in large part, grounded on  
 25 Defendants' material misstatements and/or omissions. Because this action involves  
 26 Defendants' failure to disclose material adverse information regarding the  
 27 Company's business operations and financial prospects – information that  
 28

1 Defendants were obligated to disclose – positive proof of reliance is not a  
2 prerequisite to recovery. All that is necessary is that the facts withheld be material  
3 in the sense that a reasonable investor might have considered them important in  
4 making investment decisions. Given the importance of the Class Period material  
5 misstatements and omissions set forth above, that requirement is satisfied here.  
6

## 7 **XI. NO SAFE HARBOR**

8 130. The statutory safe harbor provided for forward-looking statements  
9 under certain circumstances does not apply to any of the allegedly false statements  
10 pleaded in this Complaint. The statements alleged to be false and misleading herein  
11 all relate to then-existing facts and conditions. In addition, to the extent certain of  
12 the statements alleged to be false may be characterized as forward looking, they  
13 were not identified as “forward-looking statements” when made and there were no  
14 meaningful cautionary statements identifying important factors that could cause  
15 actual results to differ materially from those in the purportedly forward-looking  
16 statements. In the alternative, to the extent that the statutory safe harbor is  
17 determined to apply to any forward-looking statements pleaded herein, Defendants  
18 are liable for those false forward-looking statements because at the time each of  
19 those forward-looking statements was made, the speaker had actual knowledge that  
20 the forward-looking statement was materially false or misleading, and/or the  
21 forward-looking statement was authorized or approved by an executive officer of  
22 Yingli who knew that the statement was false when made.  
23

## 24 **XII. FIRST CLAIM** 25 **Violation of Section 10(b) of The Exchange Act and** 26 **Rule 10b-5 Promulgated Thereunder Against All** 27 **Defendants** 28



1       131.       Plaintiffs repeat and reallege each and every allegation contained  
2 above as if fully set forth herein.

3       132.       During the Class Period, Defendants carried out a plan, scheme and  
4 course of conduct which was intended to and, throughout the Class Period, did: (i)  
5 deceive the investing public, including Plaintiffs and other Class members, as  
6 alleged herein; and (ii) cause Plaintiffs and other members of the Class to purchase  
7 Yingli's securities at artificially inflated prices. In furtherance of this unlawful  
8 scheme, plan and course of conduct, defendants, and each of them, took the actions  
9 set forth herein.

10       133.       Defendants (i) employed devices, schemes, and artifices to defraud;  
11 (ii) made untrue statements of material fact and/or omitted to state material facts  
12 necessary to make the statements not misleading; and (iii) engaged in acts,  
13 practices, and a course of business which operated as a fraud and deceit upon the  
14 purchasers of the Company's securities in an effort to maintain artificially high  
15 market prices for Yingli's securities in violation of Section 10(b) of the Exchange  
16 Act and Rule 10b-5. All Defendants are sued either as primary participants in the  
17 wrongful and illegal conduct charged herein or as controlling persons as alleged  
18 below.

19       134.       Defendants, individually and in concert, directly and indirectly, by the  
20 use, means or instrumentalities of interstate commerce and/or of the mails, engaged  
21 and participated in a continuous course of conduct to conceal adverse material  
22 information about Yingli's financial well-being and prospects, as specified herein.

23       135.       These defendants employed devices, schemes and artifices to defraud,  
24 while in possession of material adverse non-public information and engaged in  
25 acts, practices, and a course of conduct as alleged herein in an effort to assure  
26 investors of Yingli's value and performance and continued substantial growth,  
27 which included the making of, or the participation in the making of, untrue  
28



1 statements of material facts and/or omitting to state material facts necessary in  
2 order to make the statements made about Yingli and its business operations and  
3 future prospects in light of the circumstances under which they were made, not  
4 misleading, as set forth more particularly herein, and engaged in transactions,  
5 practices and a course of business which operated as a fraud and deceit upon the  
6 purchasers of the Company's securities during the Class Period.

7 136. Each of the Individual Defendants' primary liability, and controlling  
8 person liability, arises from the following facts: (i) the Individual Defendants were  
9 high-level executives and/or directors at the Company during the Class Period and  
10 members of the Company's management team or had control thereof; (ii) each of  
11 these defendants, by virtue of their responsibilities and activities as a senior officer  
12 and/or director of the Company, was privy to and participated in the creation,  
13 development and reporting of the Company's internal budgets, plans, projections  
14 and/or reports; (iii) each of these defendants enjoyed significant personal contact  
15 and familiarity with the other defendants and was advised of, and had access to,  
16 other members of the Company's management team, internal reports and other  
17 data and information about the Company's finances, operations, and sales at all  
18 relevant times; and (iv) each of these defendants was aware of the Company's  
19 dissemination of information to the investing public which they knew and/or  
20 recklessly disregarded was materially false and misleading.

21 137. The defendants had actual knowledge of the misrepresentations and/or  
22 omissions of material facts set forth herein, or acted with reckless disregard for the  
23 truth in that they failed to ascertain and to disclose such facts, even though such  
24 facts were available to them. Such defendants' material misrepresentations and/or  
25 omissions were done knowingly or recklessly and for the purpose and effect of  
26 concealing Yingli's financial well-being and prospects from the investing public  
27 and supporting the artificially inflated price of its securities. As demonstrated by  
28

1 Defendants' overstatements and/or misstatements of the Company's business,  
2 operations, financial well-being, and prospects throughout the Class Period,  
3 Defendants, if they did not have actual knowledge of the misrepresentations and/or  
4 omissions alleged, were reckless in failing to obtain such knowledge by  
5 deliberately refraining from taking those steps necessary to discover whether those  
6 statements were false or misleading.

7 138. As a result of the dissemination of the materially false and/or  
8 misleading information and/or failure to disclose material facts, as set forth above,  
9 the market price of Yingli's securities was artificially inflated during the Class  
10 Period. In ignorance of the fact that market prices of the Company's securities  
11 were artificially inflated, and relying directly or indirectly on the false and  
12 misleading statements made by Defendants, or upon the integrity of the market in  
13 which the securities trades, and/or in the absence of material adverse information  
14 that was known to or recklessly disregarded by Defendants, but not disclosed in  
15 public statements by Defendants during the Class Period, Plaintiffs and the other  
16 members of the Class acquired Yingli's securities during the Class Period at  
17 artificially high prices and were damaged thereby.

18 139. At the time of said misrepresentations and/or omissions, Plaintiffs and  
19 other members of the Class were ignorant of their falsity, and believed them to be  
20 true. Had Plaintiffs and the other members of the Class and the marketplace known  
21 the truth regarding the problems that Yingli was experiencing, which were not  
22 disclosed by Defendants, Plaintiffs and other members of the Class would not have  
23 purchased or otherwise acquired their Yingli securities, or, if they had acquired  
24 such securities during the Class Period, they would not have done so at the  
25 artificially inflated prices which they paid.

26 140. By virtue of the foregoing, Defendants have violated Section 10(b) of  
27 the Exchange Act and Rule 10b-5 promulgated thereunder.  
28

1 141. As a direct and proximate result of Defendants' wrongful conduct,  
2 Plaintiffs and the other members of the Class suffered damages in connection with  
3 their respective purchases and sales of the Company's securities during the Class  
4 Period.  
5

6  
7 **XIII. SECOND CLAIM**  
8 **Violation of Section 20(a) of The Exchange Act Against**  
9 **the Individual Defendants**

10 142. Plaintiffs repeat and reallege each and every allegation contained  
11 above as if fully set forth herein.

12 143. The Individual Defendants acted as controlling persons of Yingli  
13 within the meaning of Section 20(a) of the Exchange Act as alleged herein. By  
14 virtue of their high-level positions, and their ownership and contractual rights,  
15 participation in and/or awareness of the Company's operations and/or intimate  
16 knowledge of the false financial statements filed by the Company with the SEC  
17 and disseminated to the investing public, the Individual Defendants had the power  
18 to influence and control and did influence and control, directly or indirectly, the  
19 decision-making of the Company, including the content and dissemination of the  
20 various statements which Plaintiffs contend are false and misleading. The  
21 Individual Defendants were provided with or had unlimited access to copies of the  
22 Company's reports, press releases, public filings and other statements alleged by  
23 Plaintiffs to be misleading prior to and/or shortly after these statements were issued  
24 and had the ability to prevent the issuance of the statements or cause the statements  
25 to be corrected.

26 144. In particular, each of these Defendants had direct and supervisory  
27 involvement in the day-to-day operations of the Company and, therefore, is  
28

1 presumed to have had the power to control or influence the particular transactions  
2 giving rise to the securities violations as alleged herein, and exercised the same.

3 145. As set forth above, Yingli and the Individual Defendants each violated  
4 Section 10(b) and Rule 10b-5 by their acts and/or omissions as alleged in this  
5 Complaint. By virtue of their positions as controlling persons, the Individual  
6 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct  
7 and proximate result of Defendants' wrongful conduct, Plaintiffs and other  
8 members of the Class suffered damages in connection with their purchases of the  
9 Company's securities during the Class Period.

#### 10 **XIV. PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiffs pray for relief and judgment, as follows:

- 12 (a) Determining that this action is a proper class action under Rule 23 of the  
13 Federal Rules of Civil Procedure;  
14 (b) Awarding compensatory damages in favor of Plaintiffs and the other Class  
15 members against all defendants, jointly and severally, for all damages  
16 sustained as a result of Defendants' wrongdoing, in an amount to be proven  
17 at trial, including interest thereon;  
18 (c) Awarding Plaintiffs and the Class their reasonable costs and expenses  
19 incurred in this action, including counsel fees and expert fees; and  
20 (d) Such other and further relief as the Court may deem just and proper.  
21  
22  
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#### 25 **XV. JURY TRIAL DEMANDED**

26 Plaintiffs hereby demand a trial by jury.  
27  
28

1 Dated: June 24, 2016

Respectfully submitted,

2  
3 **THE ROSEN LAW FIRM, P.A.**

4 By/s/ Laurence M. Rosen

5 Laurence M. Rosen (SBN 219683)

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13 *Lead Counsel for Lead Plaintiffs*

**CERTIFICATE OF SERVICE**

I certify that on November 20, 2015, I filed the foregoing  
CONSOLIDATED AMENDED CLASS ACTION COMPLAINT FOR  
VIOLATION OF THE FEDERAL SECURITIES LAWS through the Court's  
CM/ECF system, which sent notification of such filing to all counsel of record.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: June 24, 2016

/s/ Laurence M. Rosen.